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**DEWEY BALLANTINE**

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From: Camille Abousleiman Tel. No. 0 171 456-6082  
Date: March 2, 2000 Total pages, including cover sheet: 5

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Addressee	Fax No.	Tel No.
Mr. Ramy Lakah Lakah Group	00 202 417 6223	00 202 418 9621

**Message:** Please see attached.

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DEWEY BALLANTINE

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**DEWEY BALLANTINE**

**MEMORANDUM**

**TO:** Mr. Ramy Lakah  
**FROM:** Camille Abousleiman  
**DATE:** March 2, 2000  
**RE:** Banque du Caire

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Please find attached various documents signed by Banque du Caire in connection with the removal of the pledge on the shares of Arab Steel. As you will recall, the amount of U.S.\$35 million was paid to Banque du Caire from the proceeds of the bond offering as consideration for its removal of the pledge.

Please be advised that any attempt by Banque du Caire to reinstate the pledge would constitute a breach of Banque du Caire's commitments made in connection with the issuance of the bonds; in addition it would expose Banque du Caire to serious and credible claims for significant damages on the grounds that it acted fraudulently and in bad faith in obtaining payment of the initial U.S.\$35 million in consideration for the release of the pledge. As a result, Banque du Caire would face claims for the return of the U.S.\$35 million and for the payment of significant additional amounts on account of damages.

We hope that such a course of action is not being envisaged.

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